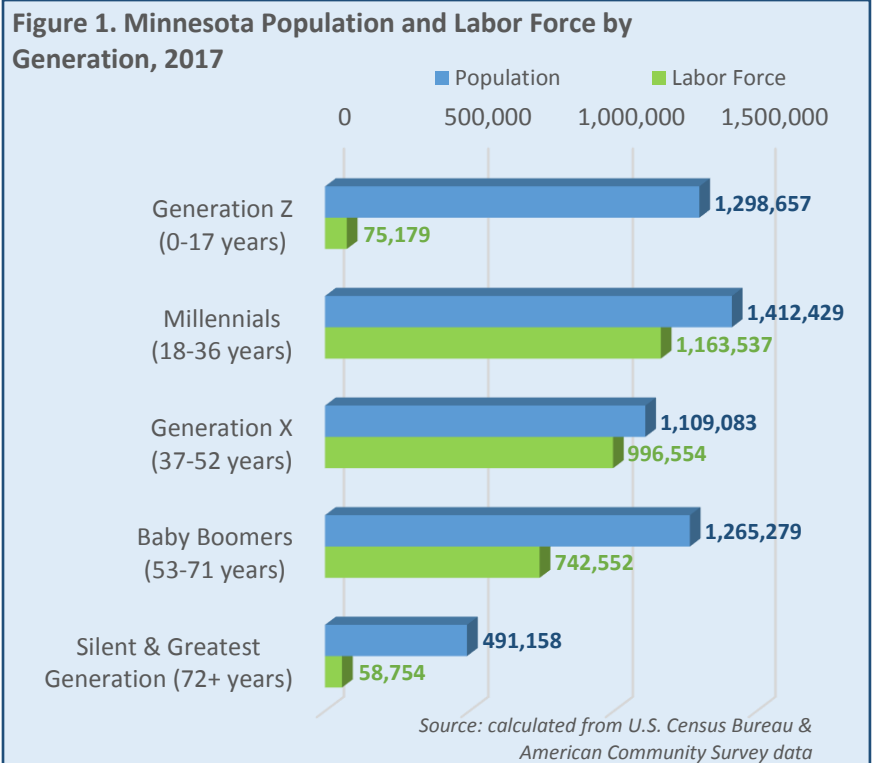# *Generations in Minnesota*

There are now six generations living together in the state of Minnesota, with a total population of about 5.6 million people. The youngest generations are the largest, with Generation Z and Millennials having just over 2.7 million people, accounting for almost half of the state's total population. Baby Boomers are still the third largest generation with just under 1.3 million people, slightly ahead of Generation X with 1.1 million people, while the two oldest generations – Silent and Greatest – have the smallest population (see Figure 1).

Consequently, there are now also at least five generations at work in the state of Minnesota, ranging from teenagers in Generation Z to senior citizens from the Silent and Greatest Generations. According to recent estimates from the U.S. Census Bureau's American Community Survey, Millennials make up the largest cohort in the labor force with about 1,165,000 workers, followed by Generation X with 1 million workers. As the front end of the Baby Boom generation has started reaching retirement age, the number of Baby Boomers has dropped to just under 750,000 workers, and there are still about 60,000 workers age 72 and older in Minnesota. Generation Z is just entering the workforce, but already provides more than 75,000 workers.

Figure 1. Minnesota Population and Labor Force by Generation, 2017

- Generation Z (0-17 years): Population 1,298,657; Labor Force 75,179
- Millennials (18-36 years): Population 1,412,429; Labor Force 1,163,537
- Generation X (37-52 years): Population 1,109,083; Labor Force 996,554
- Baby Boomers (53-71 years): Population 1,265,279; Labor Force 742,552
- Silent & Greatest Generation (72+ years): Population 491,158; Labor Force 58,754

Source: calculated from U.S. Census Bureau & American Community Survey data

According to population projections from the Minnesota State Demographic Center, the state is expected to gain nearly 300,000 new residents through 2030, a 5.0 percent growth rate. If the state's population changes at the projected rates, applying current labor force participation rates by age group to future population projections by age group means the state would be expected to see a continued, but much slower expansion in the labor force over the next decade (see Table 1).

Aside from an overall increase, the age structure of the labor force is also projected to shift over time, with gains in the number of workers age 65 and over against a notable decline in the number of workers age 55 to 64 years. The region is still expected to see gains in the number of entry-level workers and 25 to 54 year olds. In step with current trends, the shifting age structure will lead to an even tighter labor market in the future with employers needing to respond to changing labor force availability.

Table 1. Minnesota Labor Force Projections, 2020-2030				
	2020 Labor Force Projection	**2030 Labor Force Projection**	***2020-2030 Change***	
			Numeric	*Percent*
16 to 19 years	169,642	167,530	*-2,112*	*-1.2%*
20 to 24 years	342,326	378,558	*+36,232*	*+10.6%*
25 to 44 years	1,234,214	1,290,510	*+56,296*	*+4.6%*
45 to 54 years	602,222	611,017	*+8,794*	*+1.5%*
55 to 64 years	560,791	489,812	*-70,979*	*-12.7%*
65 to 74 years	157,518	193,484	*+35,966*	*+22.8%*
75 years & over	24,211	34,278	*+10,068*	*+41.6%*
Total Labor Force	**3,090,925**	**3,165,190**	**+74,265**	**+2.4%**
Source: calculated from Minnesota State Demographic Center population projections and 2013-2017 American Community Survey 5-Year Estimates				

In the past, the labor pool in Minnesota deepened with a steady stream of new workers. This was due to several factors including population growth and in-migration, high and rising labor force participation rates for females, and a stable flow of high school seniors graduating into the workforce. All of these are important sources of labor force growth, but the latter is the focus of this report.

The state's labor force has always had far more 12th graders than people turning 65, contributing to the state's rapid and enviable gain of more than 670,000 net new workers from 1990 to 2018, a 28 percent growth rate. For example, about a decade ago there were approximately 41,500 people age 65 in the state compared to about 75,000 12th graders, meaning there were almost twice as many people ready to enter the labor force than there were potentially ready to leave it.

Table 2 shows that more recently in 2017, there were 75,000 12th graders compared to 55,000 67 year olds (the full retirement age for people born in 1960 or later[1]), a gap of 20,000 more students than prospective retirees.

Table 2. Minnesota Population by Age & Student Enrollment by Grade Counts, 2017-2018				Number of Students Compared to Adults
Grade	Number	Age	Number	
Kindergarten	69,807	55 years	83,793	-13,986
1st grade	68,953	56 years	80,016	-11,063
2nd grade	69,743	57 years	77,941	-8,198
3rd grade	71,249	58 years	76,273	-5,024
4th grade	72,955	59 years	70,918	+2,037
5th grade	73,502	60 years	72,321	+1,181
6th grade	72,229	61 years	67,950	+4,279
7th grade	71,312	62 years	73,082	-1,770
8th grade	71,482	63 years	70,169	+1,313
9th grade	71,106	64 years	52,822	+18,284
10th grade	70,035	65 years	58,228	+11,807
11th grade	70,771	66 years	57,971	+12,800
12th grade	74,801	67 years	54,731	+20,070
All Grades	927,945	55-67 years	896,215	+31,730

Source: Minnesota Dept. of Education, U.S. Census Bureau

While this means there were still more people potentially ready to join the labor market than leave it, the gap was clearly narrowing. Fast forward to the other end of Table 2, and the significance of the shifting demographic wave becomes more obvious. The tipping point occurs with the 2017-2018 3rd grade class – they are slightly outnumbered by 58 year olds, and the imbalance between students and adults grows in younger grade levels. Both the 1st and 2nd grades have deficits compared to the 56 and 57 year old age cohorts, which both number close to 80,000 people in 2017.

According to the Minnesota Department of Education's student enrollment data, there were about 70,000 kindergarten students in the state in 2017-2018, compared to 84,000 55 year olds according to the Census Bureau. A lot can change for both of those populations over the course of 12 years, but if nothing does, that would leave a deficit of almost 14,000 more people reaching retirement age than graduating from high school in the year 2030. Together, both of these groups of "seniors" will have a huge impact on the labor force and economy in the state of Minnesota over the next decade, leading to slowing labor force growth and changing needs for both employers and employees.

For more information about the generations in the state of Minnesota, contact:

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[1] *Social Security Administration Benefits Planner: Retirement. Retrieved from https://www.ssa.gov/planners/retire/1960.html*